

REAGAN - CIA
WASHINGTON

President Reagan has named career intelligence officer Robert M. Gates to replace Deputy CIA Director John N. McMahon, who resigned for what the White House called "personal reasons" after 34 years in the intelligence service.

McMahon's resignation, announced late Tuesday, was hailed by two conservative lobbying groups that had called for his removal, claiming he had hampered Afghan rebels' efforts to overthrow the Soviet-installed government in Kabul.

"It's a great breakthrough," said Andrew Eiva of the Federation for American-Afghan Action. Free the Eagle, another group, mounted a direct-mail campaign against McMahon that generated 10,000 letters to White House Chief of Staff Donald Regan, said John Houston, the group's vice president.

Among other things, the groups blamed McMahon for holding up supplies of more effective weapons, including anti-aircraft missiles, to the rebels.

McMahon, 56, a 34-year veteran of intelligence work, gave no explanation for his resignation other than to say in a letter to Reagan he had "reached a stage where I should move on."

The White House statement cited "personal reasons" for the deputy's departure, which is to be effective March 29.

But The Washington Post, quoting unidentified administration sources, said McMahon, who has opposed the Reagan administration's expansion of covert operations in Third World conflicts, decided to leave after an interagency group decided to escalate four paramilitary operations. The Post's sources would not specify the countries involved but indicated that they were mentioned in recent administration statements. Those countries are Afghanistan, Nicaragua, Angola and Cambodia, the Post said.

McMahon was against increased U.S. involvement in Third World conflicts that he believed could not win long-term political support at home, the newspaper said.

The Post also reported that McMahon had opposed expansion of the U.S.-backed paramilitary operation against the leftist Sandinista government in Nicaragua, and said McMahon had grown increasingly upset about the Defense Department's growing role in developing its paramilitary capabilities for covert operations.

The White House statement said Reagan accepted McMahon's resignation "with regret" and praised the deputy chief's long years of service to the nation.

Gates, the Central Intelligence Agency's deputy director for intelligence and a specialist in Soviet and Eastern European affairs, has served two tours on the National Security Council staff as its intelligence chief. Gates, 42, holds a doctoral degree from Georgetown University and has been associated with the CIA for 20 years, serving most of that time at the agency's headquarters in Langley, Va., just outside Washington.

In a letter dated Feb. 24 but not released until the resignation was announced, McMahon told Reagan, "With over 34 years in intelligence, I have reached a stage where I should move on."

He said he did so with mixed emotions but "with the satisfaction and confidence that U.S. intelligence has never been better, thanks to the resources you have placed into our intelligence effort and the strong support you have given our intelligence programs."

McMahon offered praise for CIA Director William Casey, a former Reagan campaign chairman who had not been associated with the intelligence community since World War II and has encountered some opposition within the CIA and on Capitol Hill since assuming the directorship five years ago.

He called Casey "a unique asset," who has brought wisdom, energy and leadership "that has provided our country with an intelligence capability second to none."

McMahon was nominated by Reagan to be deputy director on April 26, 1982, after Adm. Bobby Inman resigned. By most accounts, McMahon won the respect of the House and Senate oversight committees during his tenure in the No. 2 post, while Casey had an up-and-down relationship with Congress.

Before the promotion, McMahon had held the agency's No. 3 post - executive director. During his life-long career at the agency, McMahon had helped run the U-2 spy plane program and later managed the agency's spy network.

Who's Who in America shows McMahon has worked nowhere except the CIA since his graduation from college. He served in virtually every area of the CIA after graduating from Holy Cross in 1951 and joining the agency later that year.

In 1959, McMahon was assigned to work on the U-2 program. The following year, a U-2 spy plane piloted by Francis Gary Powers was shot down over the Soviet Union in an incident that torpedoed a planned U.S.-Soviet summit conference.

McMahon later held top posts in electronic intelligence, technical services, administration and on the staff that coordinates all U.S. intelligence agencies.

In January 1978, McMahon became deputy director for operations in charge of the CIA's clandestine spy network. After more than three years in that job, he was named deputy director for national foreign assessments, which produces intelligence estimates that CIA circulates through the U.S. government.

Gates has been active in restoring CIA ties to the American academic community.

He recently was involved in a controversy at Harvard University involving secret CIA financing of a book about Saudi Arabia and a conference on the Middle East. The professor involved, Nadav Safran, resigned as head of the Center for Middle Eastern Studies, after disclosure of the CIA backing.

CIA RESIGNATION OPENS WAY FOR MORE "FREEDOM FIGHTER" BACKING
BY CHRISTOPHER HANSON

WASHINGTON, March 5/ Reuter - The resignation of CIA deputy director John McMahon has opened the way for more active U.S. backing of anti-Communist rebels around the world, congressional intelligence sources said today.

McMahon, who resigned yesterday citing personal reasons, had resisted plans to expand CIA secret paramilitary operations in developing nations and moderated the degree of CIA support for guerrilla fighters opposing Communist governments in Afghanistan and Central America, the sources said.

He had also aroused the ire of congressional conservatives by resisting sweeping proposals for expanded CIA counterspy operations and special satellites to track and help destroy Soviet mobile nuclear missiles on the ground in wartime, the sources said.

Robert Gates, McMahon's replacement, was expected to be more enthusiastic about backing anti-Marxist "freedom fighters," said the sources, who spoke on condition they not be identified.

The congressional sources, involved in monitoring U.S. intelligence, said McMahon blocked advanced anti-aircraft weapons for rebel groups fighting Soviet troops in Afghanistan and pared proposals to arm more heavily U.S.-backed "contra" rebels in Nicaragua.

McMahon, known in the intelligence community as the "CIA's conscience," had been uncomfortable with secret military operations, which he thought threatened the priority that should be given to intelligence gathering, the sources said.

McMahon's resignation followed a letter-writing campaign by conservative groups urging the White House to fire him, said to John Houston of the lobby group Free the Eagle.

The group had delivered over 10,000 anti-McMahon letters to White House Chief of Staff Donald Regan, saying the CIA official thwarted efforts to give Afghan rebels a fighting chance of ousting Soviet troops, he said.

McMahon's defenders said he helped organize covert aid for Afghan rebels and backed aid to the contras.

U.S. intelligence sources said McMahon resigned for personal, not policy, reasons and that he had had the full confidence of CIA Director William Casey. A CIA spokesman said McMahon would have no comment.

The congressional sources said McMahon, leading an interagency group on contra aid, scrapped proposals in 1983-84 to sink Soviet freighters carrying supplies to Nicaragua's leftist government and proposals to sow Nicaraguan ports with heavy mines, making them impassable.

Instead, the group had opted for use of lighter, less effective mines which caused some damage but did not deter

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from continuing its supply efforts. U.S. involvement in the 1984 mining was exposed, to Washington's embarrassment.

The Reagan administration is pressing Congress to resume military aid to the contras.

Arms supplies to UNITA rebels fighting the Marxist government of Angola recently were approved by the White House and are now on the way to Africa, U.S. officials said.

Houston said a proposal being circulated in Congress would establish a \$500 million fund to back "freedom fighters," giving the Defense Department responsibility for it. But Assistant Defense Secretary Richard Perle today denied knowledge of it.

The congressional sources said McMahon opposed a plan by Sen. Malcolm Wallop, a Wyoming Republican then serving on the intelligence committee, to beef up operations for catching Soviet "moles," or spies, planted in the agency and to detect bogus intelligence leaked by Kremlin spies to mislead the West.

It was McMahon's contention that an overzealous CIA effort to "spy on the spies" would cause turmoil within the agency, leading to suspicion and acrimony, the sources said.

They said McMahon focused spending for spy satellites on devices that could monitor Soviet compliance with nuclear arms pacts and opposed a shift in spending to sophisticated technology which would allow the United States to track and destroy Soviet missiles and other weapons in war.

Conservatives such as former intelligence committee aide Angelo Codevilla said the proposed new technology could be vital in helping to deflect a Soviet attack and that McMahon placed too much stress on arms control.

WHITE HOUSE ANNOUNCES RESIGNATION OF CIA DEPUTY CHIEF
BY SUE BAKER
WASHINGTON

The White House announced today the resignation of CIA deputy director John McMahon after 34 years of intelligence work and said he was stepping down for personal reasons.

In a short statement with few details, the White House said it had accepted McMahon's resignation with regret and that Robert Gates, currently CIA deputy director for intelligence, would move up to the number two slot.

The statement said McMahon's sudden resignation was due to "personal reasons," but it gave no details. A CIA spokesperson referred inquiries to the White House.

Administration sources, however, said that McMahon, 56, resigned over disagreements with aspects of President Reagan's foreign policy.

The head of a Washington lobbying group told Reuters that those disagreements centered on the covert supply of U.S. arms to Afghan rebels -- a program McMahon administered.

Afghan Mujahideen rebels fighting the Soviet-backed government in Kabul receive by far the largest chunk of the CIA's fund for covert military activities -- about \$650 million over the last five years, published reports have said.

Andrew Eiva, head of the Federation for American Afghan Action (FAAA), said McMahon tendered his resignation after a high level policy meeting this morning in which he opposed sending Stinger and Redeye missiles to both the Afghan Mujahideen and Angolan rebels known as UNITA.

Eiva said other administration officials, which he would not identify, were in favor of increasing both the quantity and quality of weapons being channeled covertly to Afghan rebels who have been fighting since Moscow first sent troops into Afghanistan in December 1979.

In October 1985 Eiva's organization and another right-wing lobbying group called Free the Eagle, launched a campaign to try to force McMahon from office for what they called "the bungled delivery of appropriated aid to the freedom fighters in Afghanistan."

Eiva also contended that McMahon deliberately sent old and useless weapons to the Mujahideen -- "just enough to fight and die but not enough to win the war," he said.

He contended that his campaign had increased pressure on McMahon to resign both from within the administration and from influential conservatives outside the administration.

His charges could not be immediately confirmed.

A congressional source, however, said McMahon had held his position for six years and it would not be unusual for him to step down at this point.

The White House statement said, "Mr. McMahon informed the president by letter today that he would be resigning for personal reasons effective March 29.

"The president praised his 34 years of work in the intelligence community and expressed his deep appreciation for his contribution to the nation," it said.

PERSONALITY SPOTLIGHT: JOHN N. McMAHON: OUTGOING DEPUTY DIRECTOR OF CIA

When John N. McMahon became deputy director of the CIA in June 1982, he was considered the logical choice because of his vast knowledge of intelligence operations.

But White House officials announced Tuesday that McMahon had submitted his resignation and would be replaced by another veteran intelligence officer, Robert M. Gates, at the end of the month.

President Reagan nominated McMahon on April 26, 1982, to succeed Adm. Bobby Ray Inman, who resigned to go into private business. The departure of Inman was considered a major loss but McMahon was believed to be the ideal replacement.

McMahon, 56, spent more than 34 years in the CIA, working in every important department of the agency, in the fields overseas and for a brief period in 1977-78 served as acting deputy director.

The CIA awarded McMahon two distinguished intelligence medals -- the intelligence medal of merit and the certificate of distinction.

During intense criticism of CIA activities in the 1970s, McMahon appeared to be the one official who had the confidence of both the administration and Congress.

McMahon was born in East Norwalk, Conn., on July 3, 1929, and attended Holy Cross College, where he received his bachelor's degree. After graduation he joined the CIA, the postwar version of the Office of Strategic Services, and later accepted overseas assignments.

When he returned to the United States in 1959, he worked on the U-2 spy plane project, a long-kept secret that was exposed only after pilot Gary Powers was shot down over Soviet territory. The incident caused Soviet Premier Nikita S. Khrushchev to abort a scheduled summit meeting in Paris with President Eisenhower.

After working as deputy director of the office handling the spy plane, McMahon became director of the Office of Electronic Intelligence.

In 1978 he became head of the Directorate of Operations and established a new organizational system for that part of the CIA. His rebuilding accomplishment led to his promotion to executive director, handling the daily routine of the CIA, and in 1982 he became deputy director.

McMahon is married and the father of four children.

CIA
BY NORMAN D. SANDLER
WASHINGTON

President Reagan has accepted the resignation of CIA Deputy Director John N. McMahon and will name another veteran intelligence officer, Robert M. Gates, to succeed him, the White House announced late Tuesday.

The shakeup was disclosed late in the day as the White House released copies of a Feb. 24 resignation letter in which McMahon, 56, a 34-year veteran of the worlds of espionage and intelligence, told Reagan, "I have reached the stage where I should move on."

Gates, 42, named to fill the No. 2 post after McMahon leaves March 29, has been a CIA employee since 1966 and has risen through the ranks as an analyst and administrator on the open side of the intelligence business. Since 1982, he has been deputy director for intelligence.

In his letter to Reagan, McMahon, deputy director of the CIA since June 1982, said he leaves "with the satisfaction and confidence that U.S. intelligence has never been better thanks to the resources you have placed into our intelligence effort and the strong support you have given our intelligence programs."

Despite rumors of internal friction within high levels of the CIA, McMahon said Reagan gave the U.S. intelligence community "a unique asset" in his selection of William Casey as director of central intelligence.

"He has brought wisdom, energy and leadership to our activities that has provided our country with an intelligence capability second to none," McMahon said of Casey. "While I must admit that I do not leave the intelligence world without mixed emotions, it is gratifying to leave it on a high and in such good hands."

During heavy criticism of CIA activities in the 1970s, McMahon appeared to be the one official who had the confidence of both the administration and Congress.

A CIA spokeswoman said McMahon had no plans beyond his departure from the spy agency. "He's like a lot of people who have had a long career and want to retire," she said.

Speakes, in a brief statement telephoned to reporters, said Reagan accepted the resignation from McMahon "with regret" and "expressed his deep appreciation for his contribution to the nation." No explanation was given for the unusual manner in which the resignation announcement was handled.

During his career, McMahon served both in positions on the overt and covert sides of the CIA. He headed the directorate responsible for covert operations from 1978 to 1981 and was executive director of the agency before his most recent assignment.

In contrast, Gates joined the CIA in 1966 and has been an intelligence analyst since 1969. During his career, he has served as a special assistant to the director for strategic arms limitations and as a senior intelligence officer for the Soviet Union and Eastern Europe. He also served under three presidents -- Nixon, Ford and Carter -- while on special detail to the National Security Council staff.

DEPUTY CIA DIRECTOR QUILTS; REPLACED BY ANOTHER CAREER INTELLIGENCE OFFICER
BY MICHAEL PUTZEL
WASHINGTON

President Reagan on Tuesday accepted the resignation of Deputy CIA Director John N. McMahon and quickly named another career intelligence officer to the government's No. 2 spot under top spy William Casey.

A surprise announcement by the White House Tuesday evening said Reagan would nominate Robert M. Gates, the agency's deputy director for intelligence, to replace McMahon.

McMahon, 56, a 34-year veteran of intelligence work, gave no explanation for his resignation other than to say in a letter to Reagan he had "reached a stage where I should move on."

Gates, 42, is a specialist in Soviet and Eastern European affairs who has served two tours on the National Security Council staff at the White House. He holds a doctoral degree from Georgetown University and has been associated with the CIA for 20 years, serving most of that time at the agency's headquarters in Langley, Va., just outside Washington.

The White House statement saying the president had accepted McMahon's resignation cited "personal reasons" for the deputy's departure, which is to be effective March 29.

The statement said Reagan accepted the resignation "with regret" and praised McMahon's long years of service to the nation.

There was no immediate explanation for the announcement, coming as it did after office hours Tuesday and after reporters had been told there would be no further statements from the White House.

But McMahon had been planning to leave for some time and his resignation was simply a normal personnel move, according to intelligence sources speaking on condition of anonymity.

In a letter dated Feb. 24 but not released until the resignation was announced, McMahon told Reagan, "With over 34 years in intelligence, I have reached a stage where I should move on."

He said he did so with mixed emotions but "with the satisfaction and confidence that U.S. intelligence has never been better, thanks to the resources you have placed into our intelligence effort and the strong support you have given our intelligence programs."

McMahon offered praise for Casey, a former Reagan campaign chairman who had not been associated with the intelligence community since World War II and has encountered some opposition within the CIA and on Capitol Hill since assuming the directorship five years ago.

He called Casey "a unique asset" who has brought wisdom, energy and leadership "that has provided our country with an intelligence capability second to none."

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McMahon was nominated by Reagan to be deputy director on April 26, 1982 following the resignation of Adm. Bobby Inman, which has created a near-revolt on Capitol Hill. Both Democrats and Republicans were openly wary of Casey and said they had come to rely on Inman, a career intelligence officer to give them a reliable account of what the agency was doing.

Before the promotion, McMahon had held the agency's No. 3 post _ executive director. During his life-long career at the agency McMahon had helped run the U-2 spy plane program and later managed the agency's spy network.

His biography in Who's Who in America shows McMahon has worked nowhere except the CIA since his graduation from college.

McMahon served in virtually every area of the CIA after graduating from Holy Cross in 1951 and joining the agency later that year. His first seven years were spent overseas.

In 1959, McMahon was assigned to work on the U-2 program. The following year, a U-2 spy plane piloted by Francis Gary Powers was shot down over the Soviet Union in an incident that torpedoed a planned U.S.-Soviet summit conference.

McMahon later held top posts in electronic intelligence, technical services, administration and on the staff that coordinates all U.S. intelligence agencies.

In January 1978, McMahon became deputy director for operations in charge of the CIA's clandestine spy network. After more than three years in that job, he was named deputy director for national foreign assessments, which produces intelligence estimates that CIA circulates through the U.S. government.

He took over the executive directorship in January 1982.

When he was chosen to succeed the immensely popular Inman, McMahon won praise from the then-chairman of the House Intelligence Committee, Rep. Edward Boland, D-Mass., who said, "He is clearly an able professional _ one of the most knowledgeable senior intelligence officers the president could have chosen. He has had managerial experience in every important CIA and intelligence community area _ operations, analysis, technology and policy. He is a welcome choice."

But Republican Dave Durenberger, of Minnesota, then just a member of the Senate Intelligence Committee but now its chairman, said at that time, "We'll have to work harder on oversight and ask tougher questions, because McMahon is not Inman, there are still problems about trusting the administration in this area."

By most accounts, McMahon won the respect of the two oversight committees during his tenure in the No. 2 post, while Casey continued to have an up-and-down relationship with Congress.